

star BUSINESS

ANALYSIS

Why Bangladesh falling behind in RMG export to US

REFAYET ULLAH MIRDHA

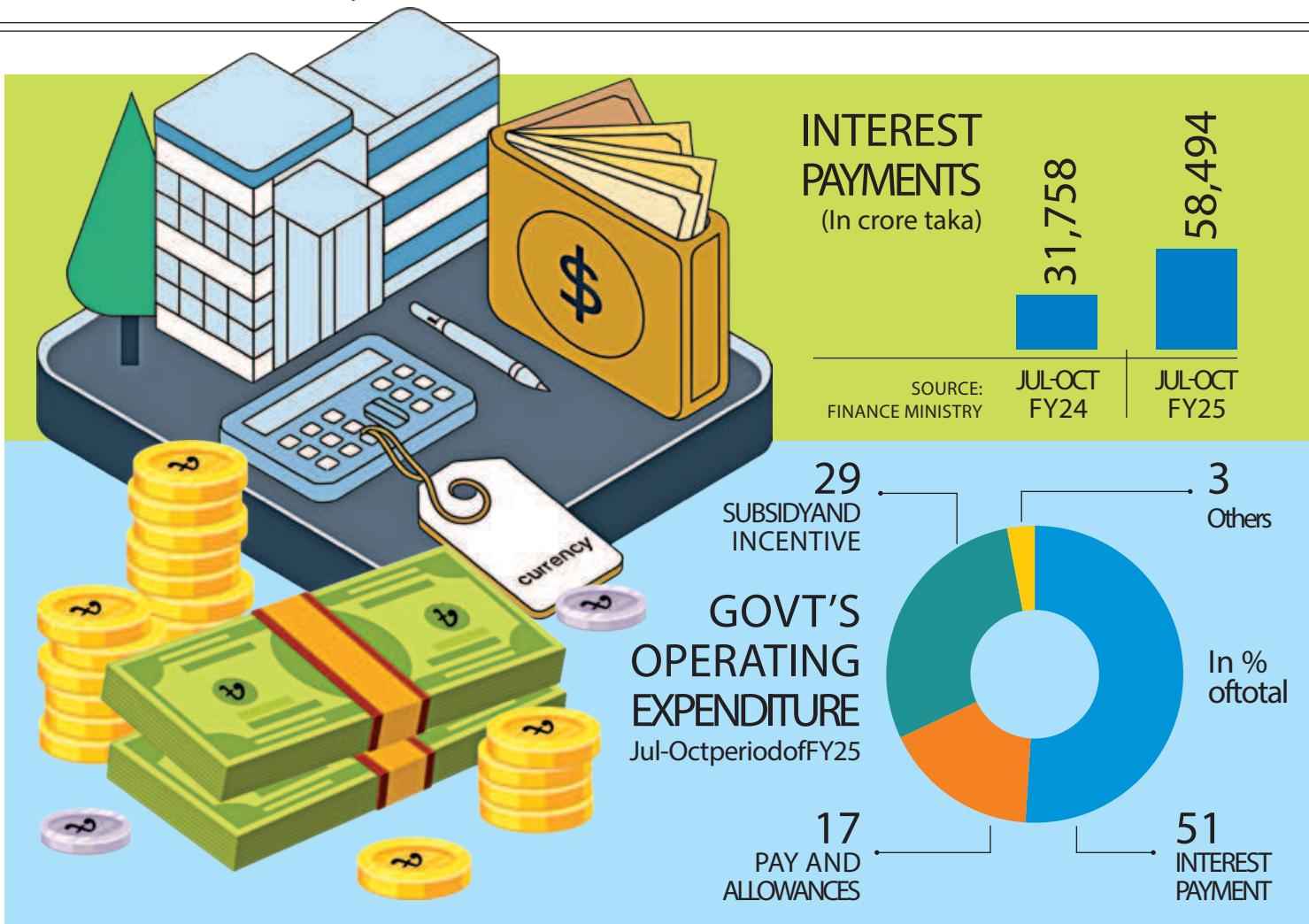
Bangladesh's garment shipments to the USA, the South Asian country's single largest export destination, have been falling over the past two years due to a market correction although other major countries have already adjusted to the scenario.

Data from the US Office of Textiles and Apparel (OTEXA), a body under the US Department of Commerce, shows that the US imported garment items worth \$72.94 billion in the January to November period of last year, registering 0.63 percent year-on-year growth.

Bangladesh accounted for \$6.76 billion of the amount, reflecting a 0.44 percent year-on-year decline. Even then, it showed signs of recovery, especially as the country saw a sharp 25 percent decrease in garments exports to the US in previous 2023.

This raises the question of how competitor countries have managed to recover garment exports to the US and why Bangladesh, the third largest garment supplier to US markets, is taking more time to recover.

To unearth the reasons, a glance back through time is



Interest payments eat up more than half of govt revenue expenses

REJAUL KARIM BYRON and AHSAN HABIB

Over half of the government's total revenue expenditure during the first four months of the current fiscal year of 2024-25 was on interest payments alone, mainly due to increased borrowing and a rise in the interest rates.

The interest payments amounted to Tk 58,494 crore, a year-on-year surge of 84 percent.

This accounted for 51.5 percent of the government's total revenue budget, according to data from the Ministry of Finance.

Of the interest payments, around 88.5 percent or Tk 51,791 crore was made to local sources of funds.

The remaining Tk 6,702 crore was spent against foreign sources.

The country's interest payments soared as the government borrowed heavily, particularly for mega projects, often without proper research, said Mustafa K Mujeri, executive director at the Institute for Inclusive Finance and Development (InM).

This borrowing was justified by the relatively safe debt-to-GDP ratio at the time, which led to a significant increase in debt, he said.

"Borrowing was often driven by political

decisions without proper feasibility studies being conducted, leading to widespread corruption. Consequently, the loans were not utilised effectively or efficiently," he remarked.

"As a result, these projects are not generating sufficient returns to repay the loans, which ultimately becomes a burden on the budget," he added.

Some of the loans taken in recent years have short repayment periods, further exacerbating the financial strain.

An analysis of interest payment trends shows that interest payments accounted for less than 20 percent of the total revenue budget between FY2010 and FY2020.

In FY2010, interest payments represented 18.65 percent of the total revenue budget.

Only in FY2021 did the cost of interest payments increase to reach 21 percent of the total revenue budget.

However, after the pandemic, the government had to secure significant budgetary support from foreign sources, which resulted in a growing debt burden.

Interest payments on these debts began immediately after the funds were disbursed.

On the other hand, government expenditure has risen significantly, while local revenue collection has not kept pace with the increase in costs.

As a result, the tax-to-GDP ratio remains low in the country.

Bangladesh's tax-to-GDP ratio stands at approximately 8 percent, compared to 12 percent in India and 17 percent in Nepal.

Bangladesh's ratio is far below the Asia-Pacific average of 19 percent and the 25 percent average of developing countries.

"There are very few countries in the world with such a low tax-to-GDP ratio," said Mujeri, who is also a former director general of the Bangladesh Institute of Development Studies (BIDS).

"Despite this, previous governments attempted to expand the size of the budget for political reasons," he said.

This necessitated large-scale borrowing from banks and other local sources. As interest rates in the banking sector rose, the government's interest payment burden increased significantly, he explained.

Meanwhile, interest rates in the banking sector have risen by approximately 500 basis points over the last five years, pushing the government's interest payment obligations to unsustainable levels.

In fiscal year 2023-24, government debt rose by 13.3 percent year-on-year to a record Tk 18.3 lakh crore, which is 36.3 percent of the

READ MORE ON B3



Eastern Bank PLC.

open
your world of
exclusive
privileges &
convenience



Priority
banking

16230
16230
mylei

Summit urges Petrobangla not to scrap third LNG project

STAR BUSINESS REPORT

Summit Group has urged Petrobangla to reconsider its decision to cancel the country's third floating storage and regasification unit (FSRU) project.

The termination was invalid, and Summit warned that any delay in the project could exacerbate energy insecurity in Bangladesh. Summit has already invested around \$20 million in the project, the company said in a statement.

Petrobangla notified Summit on October 7 last year that the project in southeast Bangladesh would be terminated, followed by a final termination notice on January 14.

Summit said the termination was based on claims that a performance bond for the project was submitted by its local parent, Summit Corporation Ltd, rather than Summit LNG Terminal II Co Ltd (SLNG II), a Dhaka unit of Summit Power International Limited based in Singapore.

A d d i t i o n a l l y , Petrobangla claimed the bond did not comply with an agreed template and was not submitted within the stipulated 90-day deadline.

As a result, Summit stated it had sought legal advice from international and local firms—Herbert Smith Freehills and Kamal Hossain & Associates—which confirmed that the termination was invalid under the terms of the terminal use agreement.

Summit engaged with Petrobangla and the government under the agreement to reconsider the decision. The company

Walton's director gifting Tk 600cr shares to spouse, daughter

STAR BUSINESS REPORT

SM Rezaul Alam, one of the sponsor directors of Walton Hi-Tech Industries PLC, is transferring shares worth a total of Tk 610 crore as per the current market value to his daughter and spouse "by way of gift".

In a disclosure posted on the Dhaka Stock Exchange (DSE) website yesterday, Walton said that Rezaul, who held a 12.87 percent share of the company as of June 2024, expressed his intention to transfer 60.60 lakh shares of the local electronics giant to his daughter Roshmi Ruhি.

He also expressed interest in transferring an equal number of shares to his spouse Fahima Husna.

Both are general shareholders of Walton, and the shares will be transferred by way of gift outside the trading system of the exchange within the next 30 working days with effect from January 20, 2025, according to the disclosure.

The gift, in monetary terms, is valued at Tk 610 crore in total at yesterday's closing price of Tk 503.8 per share of Walton at the DSE.

Shares of Walton declined 1.27 percent yesterday from Tk 510.30 the previous day.

This is the second time Rezaul is going to transfer shares to his daughter and spouse by way of gift.

He had also transferred 60.60 lakh shares of Walton each to his daughter and spouse, according to a disclosure by the company on December 3 last year.

READ MORE ON B3

Renewable ambitions still mired in uncertainty

Bangladesh produces only 0.8% of total power from sustainable sources

ASIFUR RAHMAN

Although the Awami League government made ambitious commitments to renewable energy before being ousted by a mass uprising in August last year, meeting those lofty goals remains a distant dream for the country.

The interim government has been trying to accelerate the transition, but experts and businesses have voiced concerns that the new tenders, which do not feature implementation agreements, may hold back progress.

According to an analysis by the Bangladesh Independent Power Producers' Association (BIPPA), Bangladesh produces the least electricity from renewable sources compared to four other comparator countries, including India, Pakistan, Vietnam and Sri Lanka.

Bangladesh's power generation mix is skewed heavily towards fossil fuels, with only 0.8 percent of energy being produced through renewables.

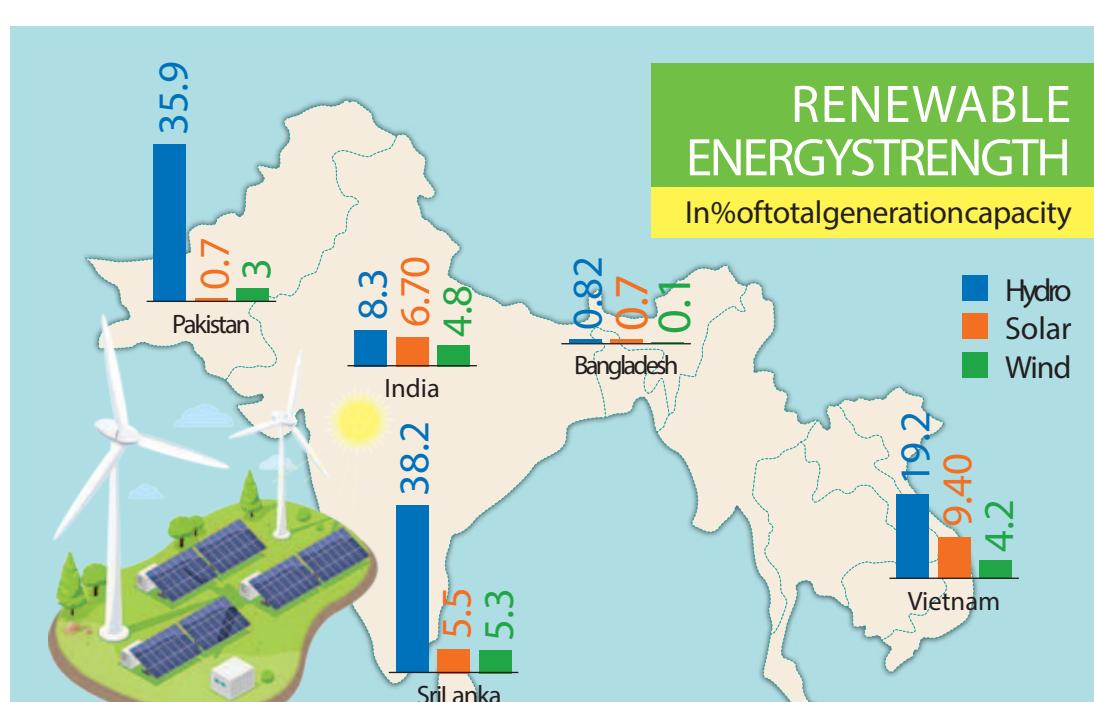
The nearest competitor, Pakistan, gets 3.7 percent of its total 42,131 megawatts (MW) of installed capacity from renewables, according to the findings, which were shared with senior government officials on Monday at Rail Bhaban.

The comparison was based on data till June 2024.

At present, Bangladesh has a total installed capacity of 27,115MW, with solar and wind contributing 663MW.

According to the findings, Vietnam is leading the charge towards renewables, followed by India and Sri Lanka.

In a fresh push, Bangladesh entered the



renewable energy era in 2017 with the launch of a 3MW solar power plant in Jamalpur's Sharishbari.

The Awami League government later set a global commitment to producing 6,000-16,000MW from renewable sources by 2030, but neglected due process when it came to giving primary approval.

However, after the political changeover in August, the interim government scrapped the plans for a total of 42 power plant projects, including 37 renewables plants with a combined capacity of around 3,102 megawatts (MW).

READ MORE ON B3

READ MORE ON B3

Panasonic launches locally manufactured ACs for Bangladesh

STAR BUSINESS DESK

Panasonic, a technology company with over 65 years of expertise in manufacturing air conditioners (ACs), recently launched its new range of inverter AC line-up, the KU series, manufactured in Bangladesh.

The new models are customised to suit local needs and are available in 1.0, 1.5, and 2.0 tonne models, which are now available across all retail outlets of our authorised partners in the country.

Fumiyasu Fujimori, managing director of Panasonic Marketing India, PLSIND, inaugurated the Made-in-Bangladesh Aircon KU series in Dhaka, according to a press release.

Fujimori said, "Bangladesh is a strategic country for Panasonic in the South Asia region, and the launch of our new range of ACs has been based on consumer feedback and designed to suit the local environment."

"From localised manufacturing to

offering a connected, comfortable, convenient, and energy-saving solution – Panasonic's new range of ACs promises technology, durability, trust, and quality," he added.

Commenting on the launch, Bhupender Bhardwaj, senior general manager of SAARC, PLSIND, said, "We have been a committed partner of Bangladesh for several decades, contributing to our consumers' needs that extend beyond basic cooling, indoor air hygiene, efficiency, and technological integration (connectivity)."

"We will continue to sell our advanced range of smart, inverter Air Conditioners to our customers to redefine their smart home experience," he added.

The new series comes with advanced technology-enabled features such as MirAI – an IoT-enabled connected platform, True AI – automatic adjustment for optimal comfort cooling, and personalized sleep profiles.



Fumiyasu Fujimori, managing director of Panasonic Marketing India, PLSIND, poses for photographs after inaugurating the new range of inverter ACs manufactured in Bangladesh recently.

PHOTO: PANASONIC

Eastland Insurance organises annual branch managers' conference



Mahbubur Rahman, chairman of Eastland Insurance, attends the "38th Annual Branch Managers' Conference-2025" at the DCCI auditorium in the capital's Motijheel recently.

PHOTO: EASTLAND INSURANCE

STAR BUSINESS DESK

Eastland Insurance PLC recently organised the "38th Annual Branch Managers' Conference 2025" at the DCCI auditorium in the capital's Motijheel.

Mahbubur Rahman, chairman of the insurance company, inaugurated the conference as the chief guest, the insurer said in a press release.

Rahman expressed gratitude to Almighty Allah for His divine blessings, which helped the company achieve 84 percent of the business target set for the year 2024, despite the global economic recession and the consequences of the abnormal price hikes of essential goods and financial losses faced by the world economy.

He appreciated the management team, including all executives and employees of the company, for their best efforts in promoting the business during these tough times.

He also commended everyone for achieving the 'AAA' Credit Rating during the year 2024.

Rizwan Rahman, vice-chairman of the insurer, and Kamal Uddin Ahmed and Md Tahir Khan, members of the board, attended the event, where Mohammed Salim, chief executive officer, presented an analytical report on the company's yearly business.

Pubali Bank opens Islamic banking corner in Khamarbari

STAR BUSINESS DESK

Pubali Bank PLC launched the "Islamic Banking Corner" at the Khamarbari branch in the Farmgate area of Dhaka yesterday in a bid to meet the growing demand for Islamic banking services.

Through the corner, customers will have easy access to a full range of Islamic banking services.

Md Saiful Alam, director general of the Department of Agricultural Extension (DAE), inaugurated the corner as the chief guest, said a press release.

Speaking at the event, Alam said Islamic banking is not just a financial service; it is a system grounded in ethics and religious principles.

"Pubali Bank's initiative will provide convenience for customers and contribute significantly to the country's economic development," he added.

Mohammad Ali, managing director and CEO of the bank, attended as the guest of honour.

Commenting on the establishment of the Islamic Banking Corners, Ali said, "The demand for Islamic banking services is increasing, and to meet this demand, Pubali Bank has already set up Islamic Banking Corners in various branches across the country."

"These corners enable customers to conduct transactions in accordance with Islamic principles while benefiting from modern technology and secure banking facilities," he added.

AKM Abdur Raqib, general manager and head of the Dhaka North region of the bank, presided over the programme, where Dewan Jamil Masud, general manager and head of the Islamic banking wing, was present as the special guest.

Adidas profits jumped in 2024

AFP, Frankfurt

Adidas on Tuesday said that its operating profit jumped five-fold last year, as the German sportswear giant moves past a crisis triggered by its split from musician and entrepreneur Kanye West.

Full-year operating profit jumped to 1.34 billion euros (\$1.39 billion), up from 268 million in 2023, according to preliminary results from the company.

Sales jumped 11 percent from the previous year and hit 23.7 billion euros, better than expected.

It marked a stark turnaround from 2023, when Adidas' earnings were hammered by the end of its collaboration with West, with whom the company had designed the blockbuster line of Yeezy trainers.

STAR BUSINESS DESK

Master Builder Limited, a real estate company in Bangladesh, celebrated its 28th anniversary at the Army Golf Club in Dhaka on Tuesday.

Maj (retd) Shibir Ahmad Khan, managing director of the realtor, inaugurated the celebration, said a press release.

In an effort to ensure environment-friendly dream housing, Master Builder has been tirelessly working since 1997 and is now stepping into its 29th year of a glorious journey.

The company aimed to provide housing facilities for the middle-income group of Dhaka city.

Nadira Khan, director of the company, supervised the event.

The realtor is equipped with a large number of qualified architects and designers who are engaged in all projects.

It has gained a reputation and confidence among customers and landowners for its uncompromising quality work within the given timeline and the use of building materials.

The real estate company has already handed over more than 1,000 flats.



Maj (retd) Shibir Ahmad Khan, managing director of Master Builder, and Nadira Khan, director, pose for group photographs with flat and landowners, and employees of the company, at its 28th anniversary celebration at the Army Golf Club in Dhaka on Tuesday.

PHOTO: MASTER BUILDER

PRICES OF KEY ESSENTIALS IN DHAKA CITY

	PRICE (JAN 22, 2024)	% CHANGES FROM A MONTH AGO	% CHANGE FROM A YEAR AGO
Fine rice (kg)	Tk 70-Tk 84	4.05 ↑	12.41 ↑
Coarse rice (kg)	Tk 54-Tk 58	6.67 ↑	9.80 ↑
Loose flour (kg)	Tk 40-Tk 45	0	-10.53 ↓
Lentil (kg)	Tk 105-Tk 110	0	0
Soybean (litre)	Tk 170-Tk 172	4.27 ↑	8.57 ↑
Potato (kg)	Tk 25-Tk 40	-53.57 ↓	-23.53 ↓
Onion (kg)	Tk 45-Tk 60	-47.50 ↓	-32.26 ↓
Egg (4 pcs)	Tk 44-Tk 48	-3.16 ↓	5.75 ↑

SOURCE: TCB

Government of the People's Republic of Bangladesh Wage Earners' Welfare Board

Ministry of Expatriates' Welfare & Overseas Employment
Probashi Kallyan Bhaban
71-72, Eskaton Garden, Ramna, Dhaka-1000

www.wewb.gov.bd

Memo No. 49.04.0000.004.07.005.22-132

Date: 22-01-2025

Invitations for e-Tender (OTM) Notice

This is online tender, where only e-Tender will be accepted in the National e-GP Portal and no hard copies will be accepted. To submit e-Tender, registration in the National e-GP System Portal (<http://www.eprocure.gov.bd>) is required.

Further information and guidelines are available in the National e-GP System Portal and from e-GP help desk (helpdesk@eprocure.gov.bd).

Tender ID No.	Name of work	Last selling date & time	Tender closing date and time
1067268	Providing assistance work to migrants and returnees in Hazrat Shahjalal International Airport (HSIA) under the Wage Earners' Welfare Board.	05-02-2025 5:00pm	06-02-2025 11:45am

Director (Admin & Development)
Deputy Secretary
E-mail: d.ad@wewb.gov.bd

GD-240



Maj Gen Md Masudur Rahman, adjutant general of the Bangladesh Army and vice-chairman of Trust Bank, inaugurates the relocated and renamed Army Stadium branch at Captain's World-2, Banani on Airport Road.

PHOTO: TRUST BANK

Trust Bank opens relocated Army Stadium branch

STAR BUSINESS DESK

Trust Bank PLC opened its relocated and renamed Army Stadium branch at Captain's World 2, Banani on Airport Road at Dhaka Cantonment in the capital on Tuesday.

Earlier, the branch was named after the Radisson Water Garden Hotel branch.

Maj Gen Md Masudur Rahman, adjutant general of the Bangladesh Army and vice-chairman of the bank, inaugurated the branch, the bank said in a press release.

Among others, Ahsan Zaman Chowdhury, managing director of the bank, along with the bank's directors, senior officers from the Bangladesh Army, and senior officials of the bank, attended the event.

Government of the People's Republic of Bangladesh Office of the Upazila Health & Family Planning officer

Upazila Health Complex

Rajbir, Madaripur.

Memo No. UHC/RAJ/MADAR/MSR/TENDER/2024-2025/97

Date: 22-Jan-2025

e-Tender Notice (NCT)

e-Tender is in the e-GP System Portal ([https://www.eprocure.gov.bd](http://www.eprocure.gov.bd)) for the procuring of following goods.

Tender ID	Name of Tender	Package No	Last Selling Date	Closing & Opening Date	Remarks
1063906	Procurement of Medicine (Non-EDCL) for the F.Y 2024-2025 at Rajbir Upazila Health Complex, Madaripur	UHC/RAJ/MADAR/MSR/TENDER/2024-2025/01	16-Feb-2025 15:00 PM	17-Feb-2025 11:00 AM	OTM
1063907	Procurement of MSR Instrument for the F.Y 2024-2025 at Rajbir Upazila Health Complex, Madaripur	UHC/RAJ/MADAR/MSR/TENDER/2024-2025/02	16-Feb-2025 15:00 PM	17-Feb-2025 11:00 AM	OTM
1063908	Procurement of MSR Linen Items for the F.Y 2024-2025 at Rajbir Upazila Health Complex, Madaripur	UHC/RAJ/MADAR/MSR/TENDER/2024-2025/03	16-Feb-2025 15:00 PM	17-Feb-2025 11:00 AM	OTM
1063909	Procurement of Gauze, Bandage & Cotton for the F.Y 2024-2025 at Rajbir Upazila Health Complex, Madaripur	UHC/RAJ/MADAR/MSR/TENDER/2024-2025/04	16-Feb-2025 15:00 PM	17-Feb-2025 11:00 AM	OTM
1063910	Procurement of Chemical Re-Agent for the F.Y 2024-2025 at Rajbir Upazila Health Complex, Madaripur	UHC/RAJ/MADAR/MSR/TENDER/2024-2025/05	16-Feb-2025 15:00 PM	17-Feb-2025 11:00 AM	OTM
1063911	Procurement of MSR Furniture for the F.Y 2024-2025 at Rajbir Upazila Health Complex, Madaripur	UHC/RAJ/MADAR/MSR/TENDER/2024-2025/06	16-Feb-2025 15:00 PM	17-Feb-2025 11:00 AM	OTM

1. This is online Tender, where only e-Tender will be accepted in the National e-GP Portal and no offline/hard copies will be accepted.
2. To submit e-Tender, registration in the National e-GP system portal ([https://www.eprocure.gov.bd](http://www.eprocure.gov.bd)) is required.
3. Detail about the Tender have shown in e-Tender notice and e-Tender document. Further information and guidelines are available in the National e-GP help Desk (helpdesk@eprocure.gov.bd).

Dr. Mohammed Shamim Akter
UHC&PO
Upazila Health Complex
Rajbir, Madaripur.

GD-246

Govt preparing SME policy

The five-year policy to come into effect in July this year

STAR BUSINESS REPORT

The government is preparing SME Policy 2025 to increase the contribution of small and medium enterprises (SMEs) to the economy, SME Foundation Chairperson Md. Mushfiqur Rahman said yesterday.

The new policy is currently under formulation, as the 2019 SME policy is set to expire, he said.

The five year SME Policy is scheduled to come into effect in July this year and end in June 2030, he added.

The draft policy includes 10 strategic objectives for developing SMEs in Bangladesh, Rahman said at a workshop on the opportunities and challenges of SME Policy 2025. The event was organised by the SME Foundation and supported by the Economic Reporters' Forum (ERF) at its office.



Small businesses contribute approximately 28 percent to Bangladesh's gross domestic product.

PHOTO: STAR/FILE

SMEs contribute approximately 28 percent to Bangladesh's gross domestic product (GDP) and account for about 85 percent of employment in the industrial sector, the SME Foundation chairperson said.

The foundation is working to help the sector flourish, he said, citing its activities such as holding SME fairs at the national level and supporting entrepreneurs.

He added that the SME Foundation has identified 177

SME clusters across the country and is implementing various development programmes to address the needs of cluster-based entrepreneurs.

Rahman said the new SME policy will play a vital role in increasing the contribution of SMEs to GDP to 35 percent by 2030.

SME Foundation Managing Director Anwar Hossain Chowdhury noted that the contribution of cottage, micro, and SMEs to GDP in Bangladesh is much lower than in some neighbouring countries.

In Pakistan, SMEs account for 40 percent of the economy.

In Sri Lanka, India, and China, the share of SMEs in GDP stands at 52 percent, 37 percent, and 60 percent, respectively, he added.

ERF President Doulot Akter Mala chaired the event.

Walton's director gifting Tk 600cr

FROM PAGE B1

Rezaul held the fourth-highest number of shares of Walton as of June 30, 2024. Its vice-chairman SM Ashraful Alam had the highest portion of shares at 21.5 percent followed by its chairman SM Shamsul Alam at 19.81 percent and managing director SM Mahbubul Alam at 17.79 percent stakes.

The electronics maker had 30.29 crore shares, and sponsors held 98.15 percent of shares as of June 30, 2024, according to Walton's annual report 2023-24.

Rezaul had 3.90 crore shares at the end of June 2023, which accounted for 12.87 percent of the total shares of Walton Hi-Tech.

He earlier sold portions of his stake, according to a disclosure of Walton on the DSE.

Walton posted a 73 percent surge in profits, which climbed to Tk 1,356.52 crore from Tk 782.67 crore the previous year.

Renewable ambitions

FROM PAGE B1

This is because those plants were awarded without any due tender process by the Awami League government under the controversial Quick Enhancement of Electricity and Energy Supply (Special Provision) Act 2010.

The interim government also repealed the "indemnity act" in December.

Additionally, under the interim government, the National Board of Revenue granted a 15-year tax benefit for investments to establish grid-tied renewable energy-based power facilities, with a 10-year exemption to encourage the bidders.

The PDB has also floated two tender notices till date for 22 solar plants in different areas of the country with a total capacity of 853MW. The tender submission deadlines for those notices are in early February and March this year respectively.

Shahriar Ahmed Chowdhury, director at the Centre for Energy Research at United International University, told The Daily Star that the previous government always said it would increase renewable energy installation, but those words were insincere.

"Renewable energy installation is good for the nation in the long run

as fuel cost will reduce in proportion with renewable use," he said.

Imran Karim, former president of BIPPA, who prepared the analysis, said land scarcity is the main reason solar projects are being held back.

"As a densely populated country, land acquisition is the biggest challenge in implementing renewable projects," he said.

He pointed out another major decision by the government that had caused investors to refrain from joining the tender process.

He said the new tender documents read that the government will not sign implementation agreements, under which the government assures repayments if the PDB defaults.

"That means the companies will only sign power purchase agreements with the PDB. You will rarely find lenders or investors who will agree to invest in a company that they know cannot repay them on time," Karim said.

Currently, the PDB owes around Tk 21,000 crore to independent power producers in overdue payments.

Besides, he said, the PDB sells power to customers for prices lower than their purchase cost or production cost, meaning

it is not possible for them to pay bills unless the government underwrites it.

Karim, also the vice-chairman of Confidence Group, which owns several heavy fuel oil-based power plants, said they wanted to support the government's move towards renewables.

"But when we spoke to multilateral banks and development partners, we found out that they may not finance such projects."

Despite repeated attempts over the phone, Muhammad Fouzul Kabir Khan, adviser to the ministry of power, energy and mineral resources, could not be reached for comment.

Energy expert Shahriar Chowdhury said the decision to not ink implementation agreements is contrary to the government's commitment to increasing power generation from renewables.

"Fossil fuel-based power plants have been getting such benefits for a long time. If you want to compete with them, you [the government] should support the renewable investors for a certain time till the situation improves," he said.

"We have made very little progress. Government support is needed until the sector can stand on its own feet," he added.

Interest payments eat up more than half of govt revenue expenses

FROM PAGE B1

country's gross domestic product (GDP).

Due to high interest payments, the government's fiscal space has been severely constrained, said Mujeri.

Fiscal space can be defined as room in a government's budget that allows it to provide resources for a desired purpose without jeopardising the sustainability of its financial position or the stability of the economy.

The economist recommended increasing the country's revenue earnings while minimising wastage and curbing corruption in government expenditure, including project implementation.

"If you implement a project of Tk 10 with Tk 100, the burden will be much higher, and it has happened over the years," he added.

The high interest payment gradually arose for the accumulation of loans, said Professor Mustafizur Rahman, a distinguished fellow of the Centre for Policy Dialogue

(CPD).

As the revenue-to-GDP ratio was low, the government increased a debt-based annual development programme (ADP). Now, the ADP is almost fully debt-dependent, he said.

Until the revenue, especially direct tax, rises, this pressure will not be eased, he said, adding that different sectors would receive low allotments if the interest payments continue to rise.

"We have continuously told the government that they should not borrow considering a comparatively low debt-to-GDP ratio, but they need to look at the revenue-to-debt ratio and the situation of foreign servicing to reserves," said Rahman.

Moreover, the project costs were excessive, so the country now needs to pay interest on the excess costs as well. "It is an accumulated pressure," he added.

If debt-related projects cannot generate enough income, they create a burden, which is happening now, he added.

DHAKA THURSDAY JANUARY 23, 2025

MAGH 9, 1431 BS

The Daily Star

B3

Brokers request CSE not to open earlier than DSE

STAR BUSINESS REPORT

to have separate trading schedules in the same time zone, said the DBA.

"The same securities are traded on both the DSE and CSE. As trading starts at the same time every day, investors check both exchanges and buy and sell shares according to their needs at competitive rates," it added.

The number of stocks traded at the CSE is just 5 percent of that at the DSE on any given day, they said.

Therefore, opening early will just lead to a low number of shares changing hands and limited participation from brokers, they added.

However, this will have an impact on companies listed on both exchanges, adversely affecting market management and investor confidence, the DSE Brokers Association of Bangladesh (DBA) stated in a press release.

The CSE had recently sent a letter to brokerage houses, informing them that it would open for trading at 9:30 am instead of 10:00 am from January 26.

It is "unprecedented" and "unthinkable" for multiple stock exchanges in a country

to have separate trading schedules in the same time zone, said the DBA.

"The same securities are traded on both the DSE and CSE. As trading starts at the same time every day, investors check both exchanges and buy and sell shares according to their needs at competitive rates," it added.

On this ground, the DBA requested the CSE and the Bangladesh Securities and Exchange Commission (BSEC) to refrain from bringing about the change.

M Shafir Rahman Mazumdar, managing director of the CSE, told The Daily Star that they were seeking to give some extra time for trading to attract brokers to the CSE.

As several brokerage houses have dual memberships in the DSE and CSE, and they have a lack of focus on the CSE, it may attract their attention, he said.

"As we cannot offer any new product due to regulatory limitations, we are trying out different options within our limits. I don't see any problem with separate opening hours," he added.

Why Bangladesh falling behind in RMG export

FROM PAGE B1

crisis, which began in June last year with the student-led movement against the Awami League government.

The month-long protests led to government ouster, labour unrest, shutdown of factories and disruption in shipment of goods, crippling industrial units that were already contending with an energy crunch.

"But when we spoke to multilateral banks and development partners, we found out that they may not finance such projects."

Despite repeated attempts over the phone, Muhammad Fouzul Kabir Khan, adviser to the ministry of power, energy and mineral resources, could not be reached for comment.

Energy expert Shahriar Chowdhury

said the decision to not ink implementation agreements is contrary to the government's commitment to increasing power generation from renewables.

"That means the companies will only sign power purchase agreements with the PDB. You will rarely find lenders or investors who will agree to invest in a company that they know cannot repay them on time," Karim said.

"But when we spoke to multilateral banks and development partners, we found out that they may not finance such projects."

Despite repeated attempts over the phone, Muhammad Fouzul Kabir Khan, adviser to the ministry of power, energy and mineral resources, could not be reached for comment.

Energy expert Shahriar Chowdhury

said the decision to not ink implementation agreements is contrary to the government's commitment to increasing power generation from renewables.

"That means the companies will only sign power purchase agreements with the PDB. You will rarely find lenders or investors who will agree to invest in a company that they know cannot repay them on time," Karim said.

"But when we spoke to multilateral banks and development partners, we found out that they may not finance such projects."

Despite repeated attempts over the phone, Muhammad Fouzul Kabir Khan, adviser to the ministry of power, energy and mineral resources, could not be reached for comment.

Energy expert Shahriar Chowdhury

said the decision to not ink implementation agreements is contrary to the government's commitment to increasing power generation from renewables.

"That means the companies will only sign power purchase agreements with the PDB. You will rarely find lenders or investors who will agree to invest in a company that they know cannot repay them on time," Karim said.

"But when we spoke to multilateral banks and development partners, we found out that they may not finance such projects."

Despite repeated attempts over the phone, Muhammad Fouzul Kabir Khan, adviser to the ministry of power, energy and mineral resources, could not be reached for comment.

Energy expert Shahriar Chowdhury

said the decision to not ink implementation agreements is contrary to the government's commitment to increasing power generation from renewables.

"That means the companies will only sign power purchase agreements with the PDB. You will rarely find lenders or investors who will agree to invest in a company that they know cannot repay them on time," Karim said.

"But when we spoke to multilateral banks and development partners, we found out that they may not finance such projects."

Despite repeated attempts over the phone, Muhammad Fouzul Kabir Khan, adviser to the ministry of power, energy and mineral resources, could not be reached for comment.

Energy expert Shahriar Chowdhury

said the decision to not ink implementation agreements is contrary to the government's commitment to increasing power generation from renewables.

"That means the companies will only sign power purchase agreements with the PDB. You will rarely find lenders or investors who will agree to invest in a company that they know cannot repay them on time," Karim said.

"But when we spoke to multilateral banks and development partners, we found out that they may not finance such projects."

Despite repeated attempts over the phone, Muhammad Fouzul Kabir Khan, adviser to the ministry of power, energy and mineral resources, could not be reached for comment.

Energy expert Shahriar Chowdhury

said the decision to not ink implementation agreements is contrary to the government's commitment to increasing power generation from renewables.

"That means the companies will only sign power purchase agreements with the PDB. You will rarely find lenders or investors who will agree to invest in a company that they know cannot repay them on time," Karim said.

"But when we spoke to multilateral banks and development partners, we found out that they may not finance such projects."

Despite repeated attempts over the phone, Muhammad Fouzul Kabir Khan, adviser to the ministry of power, energy and mineral resources, could not be reached for comment.

Energy expert Shahriar Chowdhury

said the decision to not ink implementation agreements is contrary to the government's commitment to increasing power generation from renewables.

"That means the companies will only sign power purchase agreements with the PDB. You will rarely find lenders or investors who will agree to invest in a company that they know cannot repay them on time," Karim said.

"But when we spoke to multilateral banks and development partners, we found out that they may not finance such projects."

Despite repeated attempts over the phone, Muhammad Fouzul Kabir Khan, adviser to the ministry of power, energy and mineral resources, could not be reached for comment.

Energy expert Shahriar Chowdhury

said the decision to not ink implementation agreements is contrary to the government's commitment to increasing power generation from renewables.

"That means the companies will only sign power purchase agreements with the PDB. You will rarely find lenders or investors who will agree to invest in a company that they know cannot repay them on time," Karim said.

"But when we spoke to multilateral banks and development partners, we found out that they may not finance such projects."

Despite repeated attempts over the phone, Muhammad Fouzul Kabir Khan, adviser to the ministry of power, energy and mineral resources, could not be reached for comment.

Energy expert Shahriar Chowdhury

said the decision to not ink implementation agreements is contrary to the government's commitment to increasing power generation from renewables.

Bangladesh must switch to hollow blocks to reduce pollution

Says Concord Group Managing Director Shahriar Kamal

JAGARAN CHAKMA

Clay bricks cost Tk 12 per piece. A hollow block, which is four times larger than a clay brick, is priced at Tk 50.

This price difference suggests a competitive edge for clay bricks in the construction market.

But the true cost of traditional bricks extends far beyond their purchase price.

Overlooked factors include Dhaka's frequent ranking as one of the world's most polluted cities. This severe air pollution, largely caused by brick kilns, is responsible for a tragically shortened lifespan for many people.

"This cannot continue," said Shahriar



the burning of vast amounts of coal and wood, releasing harmful particulates and greenhouse gases into the atmosphere.

"The process is unsustainable," said Kamal. "As construction demand increases each year, the environmental toll intensifies."

In contrast, hollow blocks are manufactured using a more sustainable approach. They are produced with materials such as fly ash, cement, and other industrial by-products. This process does not require burning, as the blocks are simply dried.

According to Kamal, hollow blocks are lighter but have superior strength. Therefore, they are suitable for construction in earthquake-prone regions like Bangladesh.

"Buildings constructed with hollow blocks are much lighter than those built with traditional bricks," he explained. "This reduced weight offers an advantage during earthquakes, minimising the risk

"Many workers are not familiar with how to work with these blocks," said Kamal. "For example, traditional bricks require soaking before use, whereas hollow blocks are installed dry."

"We arranged training for the workers several times," he said, "but this effort needs to be scaled up with government support to ensure nationwide adoption."

Kamal acknowledged that cost is another barrier to the widespread adoption of eco-friendly bricks.

"While eco-friendly bricks may have a slightly higher initial cost compared to traditional bricks, they offer long-term savings," he commented. "Proper planning and mindful design can reduce overall construction costs by about 15 percent."

In 2020, the government announced a policy to replace traditional bricks with eco-friendly blocks in all public projects. This policy aimed to achieve a 10 percent adoption rate in fiscal year (FY) 2019-20.

private sector construction projects."

He pointed to successful examples from countries like China and India, where the adoption of eco-friendly bricks has been accelerated through a combination of financial incentives, strict enforcement of environmental regulations, and comprehensive public awareness campaigns.

Kamal said their facilities have the capacity to manufacture 200,000 eco-friendly bricks, blocks, and tiles every eight hours. But, without enough demand, they cannot operate at full capacity.

He called for a range of policy measures to stimulate demand, including financial incentives for manufacturers of eco-friendly building materials and penalties on polluting industries to ensure accountability.

"The polluters must pay," he commented.

"This isn't just about bricks," he said. "It's about rethinking how we build our cities and protect our people. Change is difficult, but it is necessary — and it begins with each of us."

Currently, the size of the traditional brick industry is around Tk 9,000 crore, while the concrete block market is only at Tk 200 crore.

Bangladesh produces an estimated 2,300 crore bricks annually. Concrete blocks currently account for a relatively small share of this market, constituting roughly 6-7 percent of the total.

There are 164 registered factories producing concrete blocks, with an annual production capacity of 214 crore blocks. However, considering the unregistered factories, the total number is more than 250.

Kamal said the concrete block market is projected to capture up to 50 percent of the market share by 2030, due mainly to government policies and a steadily increasing demand for sustainable building materials.

He said large-scale factories have heavily invested in automated production units, often imported from China, with typical investments ranging from Tk 30-Tk 50 crore. Mid-sized factories have also invested in modernising their production lines, with typical investments ranging from Tk 5-Tk 6 crore.

Major industry players, including Concord, Mir Group, BTI, and Meghna, currently collectively control nearly 20 percent of the hollow block market.



of collapse and subsequent casualties."

According to the Managing Director of Concord Group, although hollow blocks offer many advantages, the adoption rate of eco-friendly bricks remains low. Only 5-8 percent of bricks currently in use are eco-friendly.

For the slow shift, he said a lack of awareness among builders, insufficient training for construction workers in the use of these blocks, and a strong entrenched preference for traditional bricks are responsible.

with a gradual phasing out of clay bricks by FY25.

However, slack monitoring and enforcement have hindered progress towards these ambitious goals.

"Implementation is key," Kamal stressed. "We need strong inter-ministerial coordination, led by the Ministry of Environment, to oversee the implementation of these policies. Regulatory bodies like Rajdhani Unnayan Kartripakka (Rajuk) must also play a crucial role by enforcing these targets in

the market."

According to Kamal, the shift to hollow blocks will not only reduce pollution but also create jobs in the manufacturing and installation sectors.

He called for a range of policy measures to stimulate demand, including financial incentives for manufacturers of eco-friendly building materials and penalties on polluting industries to ensure accountability.

"The polluters must pay," he commented.

"This isn't just about bricks," he said. "It's about rethinking how we build our cities and protect our people. Change is difficult, but it is necessary — and it begins with each of us."

Currently, the size of the traditional brick industry is around Tk 9,000 crore, while the concrete block market is only at Tk 200 crore.

Bangladesh produces an estimated 2,300 crore bricks annually. Concrete blocks currently account for a relatively small share of this market, constituting roughly 6-7 percent of the total.

There are 164 registered factories producing concrete blocks, with an annual production capacity of 214 crore blocks. However, considering the unregistered factories, the total number is more than 250.

Kamal said the concrete block market is projected to capture up to 50 percent of the market share by 2030, due mainly to government policies and a steadily increasing demand for sustainable building materials.

He said large-scale factories have heavily invested in automated production units, often imported from China, with typical investments ranging from Tk 30-Tk 50 crore. Mid-sized factories have also invested in modernising their production lines, with typical investments ranging from Tk 5-Tk 6 crore.

Major industry players, including Concord, Mir Group, BTI, and Meghna, currently collectively control nearly 20 percent of the hollow block market.

According to Kamal, the shift to hollow blocks will not only reduce pollution but also create jobs in the manufacturing and installation sectors.

He called for a range of policy measures to stimulate demand, including financial incentives for manufacturers of eco-friendly building materials and penalties on polluting industries to ensure accountability.

"The polluters must pay," he commented.

"This isn't just about bricks," he said. "It's about rethinking how we build our cities and protect our people. Change is difficult, but it is necessary — and it begins with each of us."

Currently, the size of the traditional brick industry is around Tk 9,000 crore, while the concrete block market is only at Tk 200 crore.

Bangladesh produces an estimated 2,300 crore bricks annually. Concrete blocks currently account for a relatively small share of this market, constituting roughly 6-7 percent of the total.

There are 164 registered factories producing concrete blocks, with an annual production capacity of 214 crore blocks. However, considering the unregistered factories, the total number is more than 250.

Kamal said the concrete block market is projected to capture up to 50 percent of the market share by 2030, due mainly to government policies and a steadily increasing demand for sustainable building materials.

He said large-scale factories have heavily invested in automated production units, often imported from China, with typical investments ranging from Tk 30-Tk 50 crore. Mid-sized factories have also invested in modernising their production lines, with typical investments ranging from Tk 5-Tk 6 crore.

Major industry players, including Concord, Mir Group, BTI, and Meghna, currently collectively control nearly 20 percent of the hollow block market.

According to Kamal, the shift to hollow blocks will not only reduce pollution but also create jobs in the manufacturing and installation sectors.

He called for a range of policy measures to stimulate demand, including financial incentives for manufacturers of eco-friendly building materials and penalties on polluting industries to ensure accountability.

"The polluters must pay," he commented.

"This isn't just about bricks," he said. "It's about rethinking how we build our cities and protect our people. Change is difficult, but it is necessary — and it begins with each of us."

Currently, the size of the traditional brick industry is around Tk 9,000 crore, while the concrete block market is only at Tk 200 crore.

Bangladesh produces an estimated 2,300 crore bricks annually. Concrete blocks currently account for a relatively small share of this market, constituting roughly 6-7 percent of the total.

There are 164 registered factories producing concrete blocks, with an annual production capacity of 214 crore blocks. However, considering the unregistered factories, the total number is more than 250.

Kamal said the concrete block market is projected to capture up to 50 percent of the market share by 2030, due mainly to government policies and a steadily increasing demand for sustainable building materials.

He said large-scale factories have heavily invested in automated production units, often imported from China, with typical investments ranging from Tk 30-Tk 50 crore. Mid-sized factories have also invested in modernising their production lines, with typical investments ranging from Tk 5-Tk 6 crore.

Major industry players, including Concord, Mir Group, BTI, and Meghna, currently collectively control nearly 20 percent of the hollow block market.

According to Kamal, the shift to hollow blocks will not only reduce pollution but also create jobs in the manufacturing and installation sectors.

He called for a range of policy measures to stimulate demand, including financial incentives for manufacturers of eco-friendly building materials and penalties on polluting industries to ensure accountability.

"The polluters must pay," he commented.

"This isn't just about bricks," he said. "It's about rethinking how we build our cities and protect our people. Change is difficult, but it is necessary — and it begins with each of us."

Currently, the size of the traditional brick industry is around Tk 9,000 crore, while the concrete block market is only at Tk 200 crore.

Bangladesh produces an estimated 2,300 crore bricks annually. Concrete blocks currently account for a relatively small share of this market, constituting roughly 6-7 percent of the total.

There are 164 registered factories producing concrete blocks, with an annual production capacity of 214 crore blocks. However, considering the unregistered factories, the total number is more than 250.

Kamal said the concrete block market is projected to capture up to 50 percent of the market share by 2030, due mainly to government policies and a steadily increasing demand for sustainable building materials.

He said large-scale factories have heavily invested in automated production units, often imported from China, with typical investments ranging from Tk 30-Tk 50 crore. Mid-sized factories have also invested in modernising their production lines, with typical investments ranging from Tk 5-Tk 6 crore.

Major industry players, including Concord, Mir Group, BTI, and Meghna, currently collectively control nearly 20 percent of the hollow block market.

According to Kamal, the shift to hollow blocks will not only reduce pollution but also create jobs in the manufacturing and installation sectors.

He called for a range of policy measures to stimulate demand, including financial incentives for manufacturers of eco-friendly building materials and penalties on polluting industries to ensure accountability.

"The polluters must pay," he commented.

"This isn't just about bricks," he said. "It's about rethinking how we build our cities and protect our people. Change is difficult, but it is necessary — and it begins with each of us."

Currently, the size of the traditional brick industry is around Tk 9,000 crore, while the concrete block market is only at Tk 200 crore.

Bangladesh produces an estimated 2,300 crore bricks annually. Concrete blocks currently account for a relatively small share of this market, constituting roughly 6-7 percent of the total.

There are 164 registered factories producing concrete blocks, with an annual production capacity of 214 crore blocks. However, considering the unregistered factories, the total number is more than 250.

Kamal said the concrete block market is projected to capture up to 50 percent of the market share by 2030, due mainly to government policies and a steadily increasing demand for sustainable building materials.

He said large-scale factories have heavily invested in automated production units, often imported from China, with typical investments ranging from Tk 30-Tk 50 crore. Mid-sized factories have also invested in modernising their production lines, with typical investments ranging from Tk 5-Tk 6 crore.

Major industry players, including Concord, Mir Group, BTI, and Meghna, currently collectively control nearly 20 percent of the hollow block market.

According to Kamal, the shift to hollow blocks will not only reduce pollution but also create jobs in the manufacturing and installation sectors.

He called for a range of policy measures to stimulate demand, including financial incentives for manufacturers of eco-friendly building materials and penalties on polluting industries to ensure accountability.

"The polluters must pay," he commented.

"This isn't just about bricks," he said. "It's about rethinking how we build our cities and protect our people. Change is difficult, but it is necessary — and it begins with each of us."

Currently, the size of the traditional brick industry is around Tk 9,000 crore, while the concrete block market is only at Tk 200 crore.

Bangladesh produces an estimated 2,300 crore bricks annually. Concrete blocks currently account for a relatively small share of this market, constituting roughly 6-7 percent of the total.

There are 164 registered factories producing concrete blocks, with an annual production capacity of 214 crore blocks. However, considering the unregistered factories, the total number is more than 250.

Kamal said the concrete block market is projected to capture up to 50 percent of the market share by 2030, due mainly to government policies and a steadily increasing demand for sustainable building materials.

He said large-scale factories have heavily invested in automated production units, often imported from China, with typical investments ranging from Tk 30-Tk 50 crore. Mid-sized factories have also invested in modernising their production lines, with typical investments ranging from Tk 5-Tk 6 crore.

Major industry players, including Concord, Mir Group, BTI, and Meghna, currently collectively control nearly 20 percent of the hollow block market.

According to Kamal, the shift to hollow blocks will not only reduce pollution but also create jobs in the manufacturing and installation sectors.

He called for a range of policy measures to stimulate demand, including financial incentives for manufacturers of eco-friendly building materials and penalties on polluting industries to ensure accountability.

"The polluters must pay," he commented.

"This isn't just about bricks," he said. "It's about rethinking how we build our cities and protect our people. Change is difficult, but it is necessary — and it begins with each of us."

Currently, the size of the traditional brick industry is around Tk 9,000 crore, while the concrete block market is only at Tk 200 crore.

Bangladesh produces an estimated 2,300 crore bricks annually. Concrete blocks currently account for a relatively small share of this market, constituting roughly 6-7 percent of the total.

There are 164 registered factories producing concrete blocks, with an annual production capacity of 214 crore blocks. However, considering the unregistered factories, the total number is more than 250.

Kamal said the concrete block market is projected to capture up to 50 percent of the market share by 2030, due mainly to government policies and a steadily increasing demand for sustainable building materials.

He said large-scale factories have heavily invested in automated production units, often imported from China, with typical investments ranging from Tk 30-Tk 50 crore. Mid-sized factories have also invested in modernising their production lines, with typical investments ranging from Tk 5-Tk 6 crore.

Major industry players, including Concord, Mir Group, BTI, and Meghna, currently collectively control nearly 20 percent of the hollow block market.

According to Kamal, the shift to hollow blocks will not only reduce pollution but also create jobs in the manufacturing and installation sectors.

He called for a range of policy measures to stimulate demand, including financial incentives for manufacturers of eco-friendly building materials and penalties on polluting industries to ensure accountability.

"The polluters must pay," he commented.

"This isn't just about bricks," he said. "It's about rethinking how we build our cities and protect our people. Change is difficult, but it is necessary — and it begins with each of us."

Currently, the size of the traditional brick industry is around Tk 9,000 crore, while the concrete block market is only at Tk 200 crore.

Bangladesh produces an estimated 2,300 crore bricks annually. Concrete blocks currently account for a relatively small share of this market, constituting roughly 6-7 percent of the total.</p